

P&C Transformation

Delivering successful P&C Transformation

From strategy through to execution,
PwC can equip your business
for future success

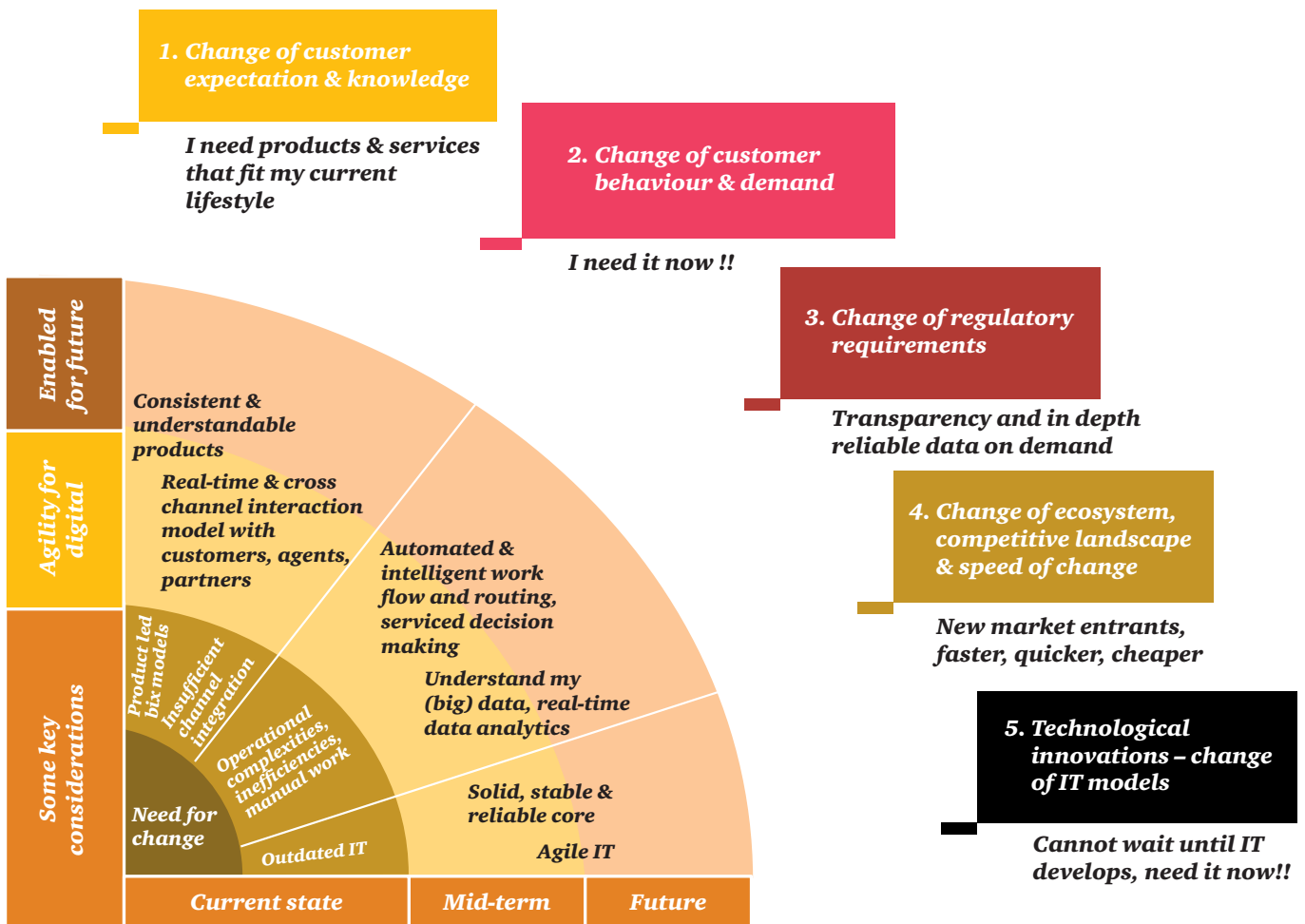


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Yesterday's innovation is today's expectation

How can your business turn technology from a disruptor to a source of opportunity?

Technology is shaping customer expectations. Your business needs to match the ease, speed and intuitive understanding customers have become accustomed to in other industries. This includes quotes, policy set-up and the ability to sort out claims at a time to suit them with, on the platform of their choice. Technology provides the opportunity to turn a commodity into a differentiated product, service and customer experience.



The challenges are heightened by aggressive new entrants, who are using advanced customer profiling to target customers and cost-efficient digital distribution to undercut incumbent competitors.

Technology has been the catalyst for the shift in customer expectations. But it can also offer an opportunity to get closer to customers, understand their needs better and develop more responsive solutions, while at the same time sharpening operational efficiency.



71 %

*of consumers surveyed used some form of digital research before buying insurance (e.g. price comparison or social media)**

From strategy to execution: The right partner

As the leading advisor and service provider to the P&C industry in Europe and worldwide, we're ideally placed to help your business keep pace with the transformation in your marketplace and capitalise on the emerging opportunities. Our support spans strategic evaluation and planning right through to implementation.

Our strong presence across the insurance and wider commercial marketplace means that we're familiar with many of the issues faced by insurance businesses and are working alongside our clients to tackle them.



68 %

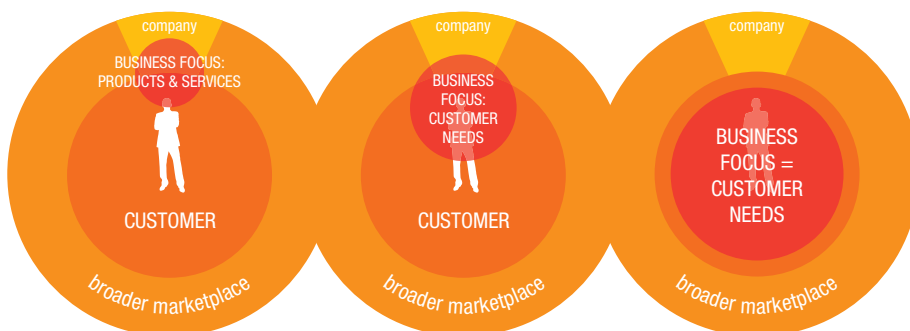
*of consumers surveyed would be willing to download use an app from their insurance provider**



67 %

*of consumers surveyed would be willing to have a sensor attached to their car or home, if it could result in a reduction in premiums**

Digital is a catalyst and accelerator of 'total-customer centricity':



1 Product-centric

Companies focus purely on their products/services...

2 Customer-centric

Focus on the benefits of their products/services and improve user journeys...

3 Total customer-centric

Focus on customer outcomes and needs to tailor their products/services to meet them. This will invoke a merging of industry boundaries.



50 %

*of consumers surveyed would be prepared to provide their insurer with additional personal and lifestyle information to enable them to seek the best deal for relevant services on their behalf**



26 %

*of consumers surveyed bought their policies online (e.g. web or via a mobile device)**

*Source: PwC surveyed a representative sample of 9,281 consumers in the UK, USA, Canada, Mexico, Brazil, China/Hong Kong, France, India, Singapore, Spain, Sweden, South Africa, Germany, Netherlands, CEE (Central & Eastern Europe) and Switzerland for its 2014 digital insurance survey.

The right moment: Why the case for transformation has never been more compelling

The convergence of complex market demands, antiquated legacy platforms and an increasingly mature vendor landscape means that business and systems transformation is both necessary and attainable. Nearly 60% of European P&C insurers have or are currently replacing or modernising their core systems. If you're not one of them, are you at risk of falling behind?

Market demands

In today's fast evolving industry landscape, it's important to develop core system capabilities that deliver improved market responsiveness and sharper operational effectiveness.

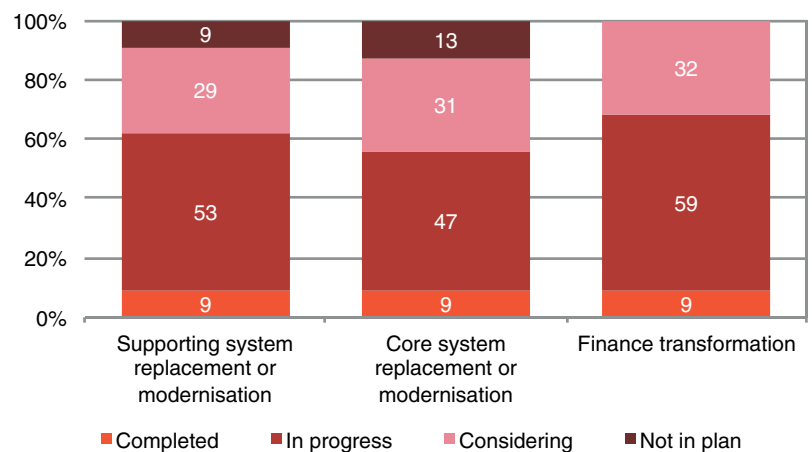
- Customer preferences are changing. Customers want your business to match the experience offered by the very best media, retail and technology companies. Digital natives are also moving into the mainstream, bringing even bigger demands for choice, intuition and ease of engagement.
- The need for ease and accessibility also applies to your agents, who want faster information and service for their customers and your business teams, who want to make modifications without relying on IT.

Antiquated legacy platforms

With platforms that may be ageing or have been patched together after successive mergers, how sure are you that your systems are fast and flexible enough to cope with today's exacting market demands?

Ageing systems are making it harder to capitalise on new data rich opportunities and respond to competitive pressures in real-time. Your systems are likely to require significant maintenance, which reduces the funds available for investment in growth.

European Core System Transformation survey



Source: "Insurance in Europe, Which way is it heading?", Celent Research 2014

Mature vendor landscape

Today's technology solutions come with a rich array of enhanced features, yet are less costly, more customisable and faster and easier to implement than ever before:

- flexible and cost-effective alternatives to 'home grown' platforms;
- vendor solutions provide a viable implementation option, especially for mid-size businesses;
- focus on modern, user-friendly systems architecture.

The right choice

Successful transformation is exceptionally challenging. Less than 30% of insurers have been able to complete their systems modernisation on time, on budget and realise their objectives.

The pace of development and proliferation of choice within insurance systems heightens the importance of expert advice in developing a clear understanding of your needs and the best options to meet them.

29%

Succeeded: The project was completed on time, within budget, and met all original benefit requirements.

53%

Challenged: The project made it to the deadline, but experienced cost/schedule overruns and was unable to fulfill all of the original benefit requirements.

18%

Failed: The project was abandoned or cancelled due to project being unable to meet cost, schedule, or customer expectations.

Source: The Standish Group, based on Fortune 1000 corporate interviews regarding strategic projects costing > \$10 million; Ward Group.

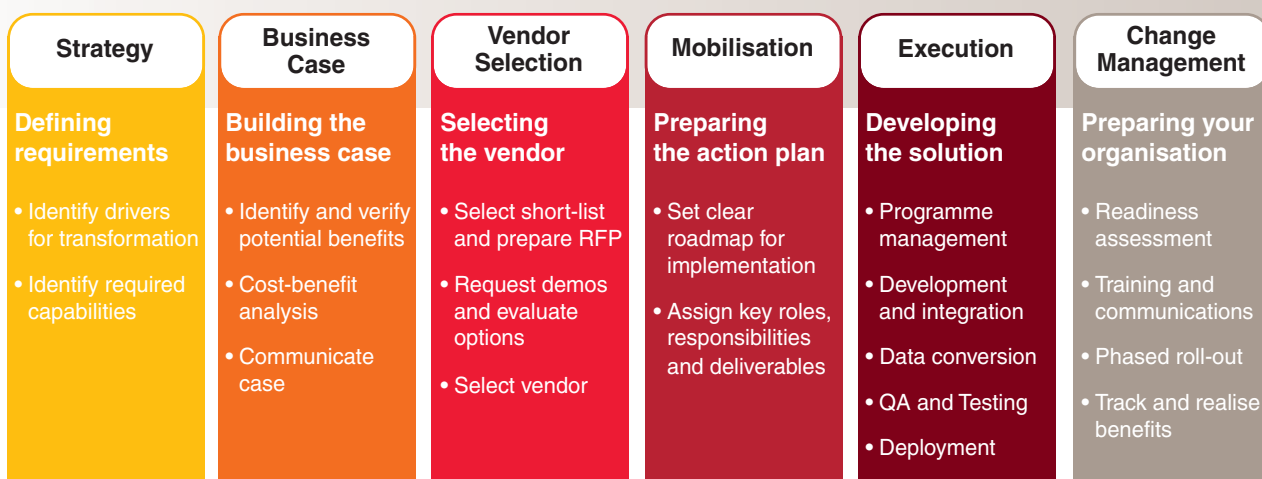
Some of the big questions include:

1. How can you ensure that your systems choice fits with your objectives?
2. How can you ensure that your organisation has the skills to make the most of your investment?
3. How can you speed up implementation and future-proof your systems?

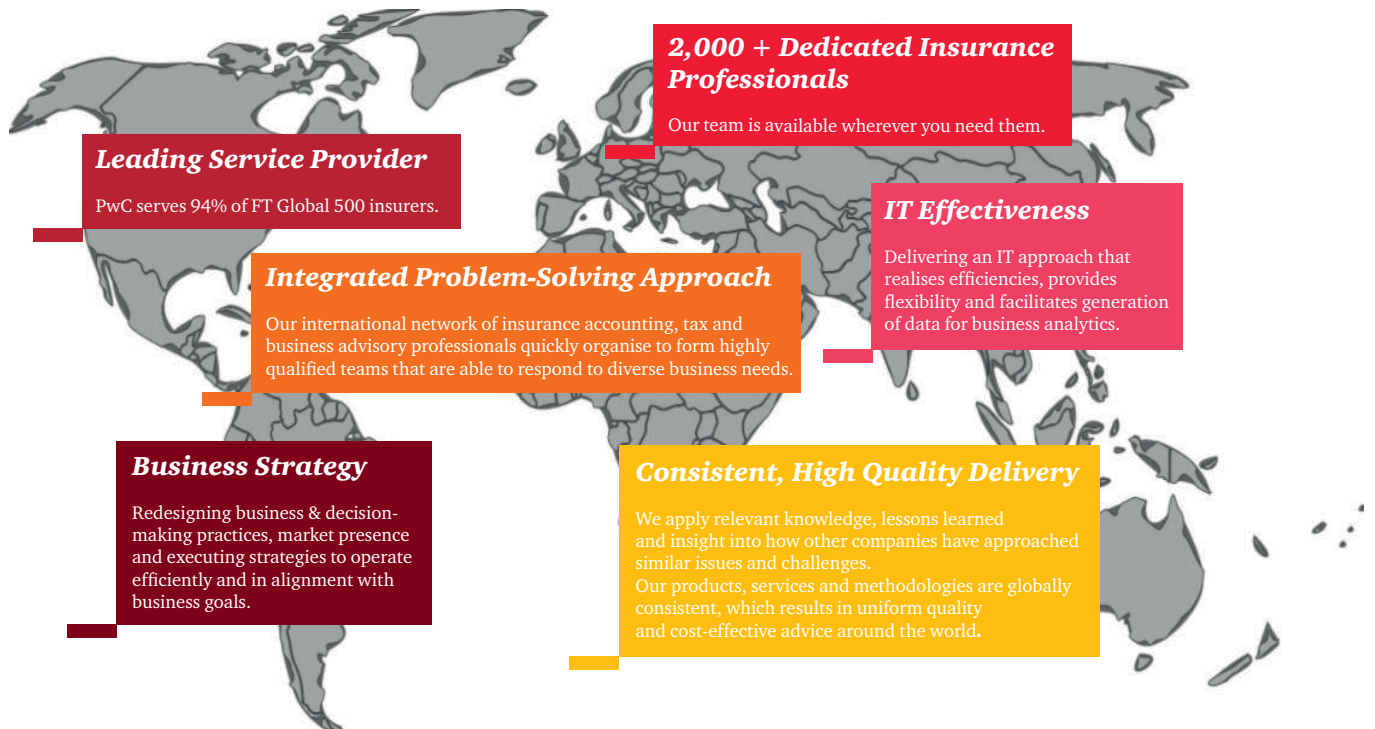
These are as much business and organisational considerations as IT decisions. Accordingly, it's not just the systems capabilities, but best practices in planning and implementation that are evolving, as leading insurers adopt a more iterative and flexible approach to systems change. Our strategy to execution approach can help you to align your operational model with your business objectives, while eliminating much of the risk and uncertainty associated with major transformation.

One-stop solution

We provide a one-stop solution, supporting you all the way from strategy through to execution.



Why PwC is the right partner



The right people:

We have more than 2,000 professionals worldwide, with deep business and technology expertise in insurance to help our clients identify and develop the rightsystems, talent and operational capabilities.

Breadth of skills:

We have the mix of skills required to deliver a complete transformation assignment. We offer the strategic insight to align system selection and implementation with changing market requirements and long-term competitive goals.

Strong vendor relationships:

We have developed strong working relationships with the leading vendors, helping us to ensure effective implementation and preparation within your business. This includes 700 consultants dedicated to Guidewire, the leading market software choice.



Source: The Standish Group, based on Fortune 1000 Corporate Interviews regarding strategic projects costing > \$10 M; Ward Group.

Making your investment count

A PwC-led transformation has the potential to:

Decrease underlying costs and overall expense ratio by over 10% by:

- ➔ Retiring legacy systems and simplifying existing ones;
- ➔ Eliminating redundant platforms and processes;
- ➔ Lowering maintenance efforts;
- ➔ Increasing operational efficiencies by re-designing business processes, reducing data entry, and increasing productivity;

Decrease turnaround time for quoting and simplification of new business processes that can help insurers achieve up to 50% more binds;

Improve consistency of vendor services outcomes;

Improve identification of high quality referrals;

Improve customer service with enhanced billing capabilities, and delivery and payment options that result in greater customer satisfaction;

Increase premium growth by improving speed to market, automating risk assessment, and modernising technologies, all of which decreases data entry points, increases customer self-service, and enables resources to focus on higher value tasks;

Expand business analytics, reporting, and data mining; and,

Provide clear direction and practical recommendations while balancing goals around customer, process cost, and loss.



Taking your business forward

Change is the only certainty. Through wide-ranging industry research and market commentary, we're helping insurers to make sense of a fast-changing world. We're also learning from them as we look to identify and share best practice around the marketplace.

We regularly sit down with insurers from across the market to discuss the drivers reshaping their sector and the growth opportunities this opens up for their particular businesses. We also work with leadership teams to help them identify what could disrupt their businesses and think about the strategies that would enable them to future proof their organisation.

If you would like to know about the developments ahead and how your business can come out in front please see www.pwc.com/insurance/future-of-insurance.

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